



The TSAC Update

Serving the Financial Aid Community Since 1974!

Tennessee Student Assistance Corporation

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GRANT AND SCHOLARSHIP DIVISION

Tennessee Student Assistance Award Program

2003-2004

The 2003-2004 Reconciliation Rosters have been mailed to your institution. The end of the fiscal year is fast approaching and it is very important that you reconcile your TSAA records. The year end totals are critical to the budget for the upcoming year.

2004-2005

As of May 21, 2004, TSAC has notified over 29,600 students of their eligibility for the TSAA program. TSAC has processed 147,429 applications as compared to 94,490 for the 2003-2004 academic year. This represents a 56 per cent increase.

As previously reported, the application cut off dates for the 2004-2005 academic year are March 22, 2004 for TSAA funds and March 5, 2005 for institutions receiving the Restoration funds. These dates will be re-evaluated after the initial certification rosters are processed in July.

Scholarships

Ned McWherter Scholars

TSAC's budget request to award 50 new scholarships for 2004-2005 has been approved. The selected students will be notified by May 24, 2004; in addition, there are 120 renewal recipients.

Minority Teaching Fellows

The Selection Committee for the Minority Teaching Fellows Program will complete their selection process by May 30, 2004. There have been 96 renewal applications received and 228 new applicants. Twenty new scholarships plus the 96 renewals scholarships will be awarded. Notification of scholarship awards will begin on June 7, 2004.

Robert C. Byrd Honors Scholarship

There were 159 new scholarships awarded out of the 3,457 applications received. There were 409 renewal applicants. All applicants have been notified of their eligibility.

Tennessee Teaching Scholars Program

There were 558 applications for 2004-2005. Out of that number, 78 graduate and 78 undergraduates will be selected for a total of 156 recipients. There are 61 renewal applicants. Notification of scholars will begin on June 1.

LOTTERY DIVISION

Summary of TELS Legislative changes for 2004

The following major changes will go into effect upon Governor Bredesen's signing the bill into law:

Effective for Fall 2004

- All 2003 and 2004 high school graduates who achieve an overall grade point average (GPA) of 3.0 unweighted or a 19 ACT/890 SAT score, will be eligible for the HOPE lottery scholarship. **(Note: if you have already prepared your flat file for submission on June 1, 2004, TSAC is requesting that you proceed with sending it. If you are still in the process of determining students core GPA and number of core courses, you may stop and enter zeroes in the core GPA, number of core courses, and number of honors and advance placement courses fields).**
- Deletes the college core GPA and college core course requirements for HOPE Scholarship, GAMS and the Access Grant.
- The term "continuous" is defined as a student enrolled in the fall and spring of the single academic year. Enrollment in summer semester or inter-session terms is not required.
- Expands eligible high schools to include: Category 1, 2, 3 high schools **(TSAC will send an updated list of eligible high schools)**; U.S. Dept. of Defense high schools located in whole or in part in TN; out-of-state bordering high schools; and accredited boarding schools.
- The eligibility requirements for students graduating in December 2003 will be the 3.0 GPA or 19 ACT/890 SAT same as the student that graduated May of 2004.
- The eligible student must be admitted and enrolled in an eligible postsecondary institution by the fall semester immediately following: graduating from high school, TN home school, and after obtaining a GED.
- A student enrolled in an undergraduate degree program shall be required to achieve a cumulative GPA average of 3.0 at the end of the semester in which the student has attempted 120 hours to continue to receive the scholarship.
- Expands eligibility to student who are TN citizens and dependent children of military personnel even if they are stationed outside of TN.
- Each postsecondary institution may reduce the TELS awards using their own discretion. TELS may be reduced first, or the institution may reduce their institutional awards first.

Effective December 1, 2004

- The term "weighted" on a 4.0 scale will be allowed in the calculation of eligibility for the GAMS award.

- For graduates of the class 2005, all eligible students who achieve a 3.0 GPA unweighted or 21 ACT/960 SAT will be eligible for HOPE lottery scholarships.

FLAT FILE SUBMISSION INSTRUCTION

Institutions that will have Tennessee Education Lottery Scholarship (TELS) recipients are required to submit a flat file of information on potential recipients from the Class of 2003 on June 1, 2004. TSAC requested that the flat file be submitted on students eligible for TELS who scored below 19 ACT/890 SAT. General Assembly Merit Scholarship (GAMS) eligible and GED students were also requested. ***The revised flat file and processing procedures were e-mailed to institutions on May 17, 2004.*** The revised format includes an additional field of ACT/SAT test date. Please notify the appropriate personnel at your institution of the revised format. The following is a repeat of the e-mail sent on May 17, 2004.

It is highly recommended that you look at your TELS certification roster on e*G*RandS. Compare the students on your certification roster with your currently enrolled students that are eligible for TELS based on their high school record. If your records show more eligible students than your certification roster, TSAC requests that you use one of the following methods to submit these additional eligible students to TSAC.

Option 1) On June 1, submit all students from the high school class of 2003 who are eligible for HOPE and GAMS. This includes submitting all flat file information on your students scoring 19 ACT/890 SAT or higher, as well as those students who score below 19 ACT/890 SAT who have at least a 3.0 unweighted overall and college core GPA. See note #5 in the processing procedures.

Option 2) This option calls for two types of data submission in the flat file format on June 1.

a) Provide all requested information for those students from the Class of 2003 who score below 19 ACT/890 SAT.

b) For the other group of eligible students scoring above 19 ACT/890 SAT that are not on your certification roster, use the flat file to provide the following:

- I. First name, last name
- II. SSN
- III. ACT/SAT score
- IV. Test Type
- V. Test Date
- VI. Date of Birth
- VII. High School Code
- VIII. Place zero in all other fields

Option 3) This option also calls for two types of data submission on June 1; one by flat file and one by fax or email.

a) Provide all requested information for those students from the Class of 2003 who score below 19 ACT/890 SAT.

b) For the other group of eligible students scoring above 19 ACT/890 SAT that are not on your certification roster, fax or email the following to Robert Biggers, TELS Program Administrator; robert.biggers@state.tn.us.

- I. First name, last name
- II. SSN
- III. ACT/SAT score
- IV. Test Type
- V. Test Date
- VI. Date of Birth
- VII. High School Code

TSAC realizes this is a major change from what we were previously asking institutions to provide. As such, institutions now have two dates to submit flat file data; June 1, 2004 and June 15, 2004. Please keep in mind that the primary reason for this data transmission is your institution's certification roster. This new information will make your TELS certification roster up to date. The process of obtaining TELS disbursement will be facilitated by this new additional data from TELS eligible students currently enrolled at your institutions.

Flat File Layout for Colleges/Universities/TTCs
TELS Eligible Students
(Class of 2003 Students)

Flat File Layout:

Field Name	Start Position	Length	Field Content	Type	Required
Last Name	1	25	Student's last name	Varchar, left justified	Y
First Name	26	16	Student's first name	Varchar, left justified	Y
Social Security Number	42	9	Student's Social Security Number	Numeric	Y
Date Of Birth	51	8	Student's date of birth - CCYYMMDD	Date	Y
High School Code	59	6	Student's high school code, Additional valid high school codes include: 969999 indicates home-schooled 999998 indicates an	Numeric	Y

			invalid high school 999999 indicates and unknown high school		
Overall GPA	65	3	Student's final unweighted overall high school GPA, Implied decimal with two decimal places	Numeric	Y
Core GPA	68	3	Student's final unweighted core curriculum high school GPA, Implied decimal with two decimal places	Numeric	Y
Number Core Courses	71	2	Number of core courses taken by student in high school	Numeric, right justified	Y
Number Advanced Placement Courses	73	2	Number of advanced placement courses taken by student in high school	Numeric, right justified	Y
Test Type	75	3	Type of test reported for this student, 'ACT' indicates National ACT Test 'SAT' indicates National SAT Test	Varchar	Y
Test Score	78	4	Test score of the test indicated in previous field	Numeric, right justified	Y
GED Test Score	82	3	Student's GED test score, if applicable	Numeric	N
GED Test Date	85	8	Student's GED test date, if applicable - CCYYMMDD	Date	N
Test Date	93	8	Test date of the test indicated in the "Test Type" field above - CCYYMMDD	Date	Y

VOCATIONAL REHABILITATION

If you attended the joint TSAC Voc Rehab training during the TASFAA district meetings held between May 17-19, 2004, you are aware that the paper R5C form is being replaced by an electronic version in e*GRandS. If your institution was not represented at the training, please contact Kathy Stripling, at 615-741-1346, ext 155, for training materials to be sent to you. The implementation of the system is scheduled for June 7, 2004.

COMPLIANCE DIVISION

The Compliance Division is pleased to announce the arrival of two new staff members. Karen Myers has joined our staff as the school program reviewer; some of you may remember her as the Grants Administrator in her previous role at TSAC. Karen's most recent position was with ITT in Louisville, Kentucky. Michael Kincaid has joined our staff as the lender reviewer; he comes to us from the Montana State Guarantee Agency. Please join us in welcoming them to TSAC.

Remember, if you are searching for a regulatory citation and need our assistance, we encourage you to call the Compliance Division for help. Our goal is to provide both technical assistance and training opportunities for the postsecondary institutions that participate in the FFEL, TSAA, and other TSAC programs.

TSAC TRAINING

TSAC quarterly training is scheduled for July 16, 2004. This training session will be geared toward new financial aid staff. Topics to be included are FAFSA Application Process, Student Eligibility, Overview of Federal Financial Aid Programs, FELP (Loan Certification), State Grants and Scholarships, and Lottery Scholarship. The training will be given at TSAC's Nashville office at 404 James Robertson Parkway. Refreshments will be served from 8:30 a.m. to 9:00 a.m. The training session will start at 9:00 a.m. The State Grants and Scholarships and Lottery Scholarship sessions will start at 1:00 p.m. Lunch will be provided. Seating is limited. Please R.S.V.P. to Dianna Greer no later than July 9, 2004. Dianna can be reached at 800-342-1663 ext, 149, direct line 615-253-7474, or by email at dianna.greer@state.tn.us.

LOAN DIVISION

Guarantec Services

TSAC, through its full service processor Guarantec, offers a wide range of student loan services. In the post origination areas of loan maintenance, NSLDS, default aversion, claims and collections, the Guarantec staff continues efforts to provide quality service to the lenders and borrowers who have chosen TSAC as their Guaranty Agency. Combined with, R and B Solutions, Guarantec also offers default management services.

In loan maintenance Guarantec ensures that there are consistent processing updates to accounts with record accuracy and efficiency. Additionally, the staff processes NSLDS transactions and performs research to ensure that the accounts match the records held on the lender and the Department of Education record systems.

Once an account has reached a delinquency period of 60 days, the lender submits an RCA, or request for collection assistance to Loan Maintenance. These account transactions are sent to R and B Solutions for default aversion activities. R and B currently "cures" or prevents from default more than 78% of the accounts they receive.

In recent years, the Claims, Bankruptcy and Subrogation area has conducted several clean up processes. For example, a process to ensure that old bankruptcy accounts are in the correct status was implemented and completed. Claim volumes continue to decrease as more and more borrowers rehabilitate or consolidate their loans prior to default. There has been a 4 per cent decrease in claims received in the last six months.

Once an account has defaulted and a claim has been paid, TSAC purchases the loan from the lender, it is then assigned to the Collections Department at Guarantec. Successful efforts have resulted in the collection of over of \$4.2 million in 2003 on first time payments and Paid in Full accounts.

TSAC also utilizes four collection agencies; Automated Collection Services, Inc., Van Ru, Windom Professionals and Collection Technology Inc. These agencies manage a portfolio of \$157 million for TSAC and collected over \$28 million dollars in 2003.

PLUS e-Signature

In addition, the eSignature process being created for PLUS MPNs will be similar to Stafford MPN process currently in use. The PLUS MPN process will require a credit check to be done as part of the process. Normally, a lender is assessed a fee for any credit check transactions. TSAC is pleased to announce that the cost of the credit checks will be absorbed by TSAC/Guarantec for the first year.

Loan Division Vacancies

TSAC has two positions open in the Loan Department. One position is for an Administrative Assistant to the Loan Program Administrator. The second position is for a Financial Aid Program Specialist. Both positions are non-civil service. For more information, please contact Stephanie Aylor 1-800-342-1663, ext. 139.

U. S. SUPREME COURT RULES AGAINST TSAC

In a case brought before the U. S. Supreme Court last March 2004, TSAC was represented by the state's Attorney General's Office. The Attorney General's office argued that, as provided under the Eleventh Amendment, individuals could not bring lawsuits against States that are presumably protected under the laws of 'sovereign immunity.' Forty eight other States also asked the Court to hear the case since multiple States are typically involved in Bankruptcy lawsuits. On May 17, the Court, in effect, ruled in favor of the debtor who was seeking relief of her student loan debts for reason of financial hardship. Under U. S. Department of Education regulations, student loans are generally not allowed to be included in bankruptcy cases. The case was affirmed and remanded, which means that it will now go back to the bankruptcy court for a trial on the issue of 'undue hardship.' For more information, contact Tom Zminkowski at TSAC.

MAPPING YOUR FUTURE RELEASED ONLINE STUDENT LOAN COUNSELING VERSION 3.0

Mapping Your Future (MYF) released Online Student Loan counseling (OSLC) version 3.0 on Saturday, May 1. Schools may have noticed changes to their FAO Access Areas as a result. While the new release includes many new enhancements, schools are not required to make any changes. The institutions can continue to use OSLC as they have in the past, or can customize the counseling and enhance their account management options.

The updated OSLC User's Guide is online at mapping-your-future.org/services/oslpsindex.htm for more details. The MYF staff recommends schools download the print-friendly version for their reference.

If you have any questions about OSLC version 3.0, contact Beth Ziehmer at beth.ziehmer@mapping-your-future.org or (573) 796-3730; CariAnne Behr at carianne.behr@mapping-your-future.org or (573) 634-8641.

QUESTIONS OF THE MONTH

Question: Can a private loan be used to offset the EFC or does it strictly have to be need based?

Answer: A private loan can be used to offset the EFC according to the following excerpt from 34 CFR 682.200(b)(2):

- (2) The estimated amount of assistance does not include--*
 - (i) Those amounts used to replace the expect family contribution including--*
 - (A) Unsubsidized and nonsubsidized Stafford loan amounts for which interest benefits are not payable.*
 - (B) PLUS loan amounts; and*
 - (C) Private and state-sponsored loan programs;*

Question: The class of 2003 students must successfully complete 24 credit hours their freshman year in college and earn a 2.75 cumulative GPA to be eligible for the Hope Scholarship. At what point do we measure the 2.75 GPA?

Answer: The student's GPA should be measured at the point the student has successfully completed 24 credit hours. Only grades of A, B, C, and D are considered as a successful course completion. *For example, if they have earned less than 24 credit hours at the end of the spring semester/term; then the summer can be used to earn the additional hours needed to meet the requirements.*

FEDERAL UPDATE

SECTIONS OF THE 2004-2005 FSA HANDBOOK ARE AVAILABLE

The Application and Verification Guide, the Student Eligibility, and the School Eligibility and Operations sections of the 2004-2005 FSA Handbook are available at [HANDBOOK](#).

The Handbook is posted each year on the Web, and a printed version is later mailed to all schools participating in the Federal Student Aid programs

The Verification Guide provides additional guidance on discrepant tax data on pages AVG-104 and 105.

POVERTY LEVEL GUIDELINES FOR 2004

The Department of Health and Human Services published the new poverty level guidelines for 2004 in the February 13, 2004, Federal Register, pages 7336-7338. The amounts are used in determining a borrower's eligibility for Economic Hardship Deferment. The Poverty Line amounts for a family of two follow:

All states except Alaska and Hawaii - \$1,040.83

Alaska - \$1,300.83

Hawaii - \$1,196.67

FAA ACCESS TO CPS ONLINE

The U.S. Department of Education address concerns, in a letter with a Q/A section, raised by the financial aid community about the functionality in FAA Access to CPS Online, in particular by EDEXpress users who must now go to the Web to enter application and correction data. The Q/A is found at the following site: [FAA Access](#).

FEDERAL FAMILY EDUCATION LOAN PROGRAM SPECIAL ALLOWANCE RATES

Federal Family Education Loan Program Special Allowance Rates for the Quarter Ending March 31, 2004 can be viewed at [special allowance](#).

RESOURCES FOR BLIND AND VISUALLY IMPAIRED STUDENTS

The U.S. Department of Education's Federal Student Aid (FSA) office has a variety of information resources available for blind and visually impaired students. Please refer to [impaired students](#) for details.

FREQUENTLY ASKED QUESTIONS ABOUT COMMON ORIGINATIONS AND DISBURSEMENTS

This Frequently Asked Questions (FAQ) document is an introduction to the Common Origination and Disbursement (COD) process and updates the COD FAQs posted to IFAP on December 23, 2003. These FAQs are updated to reflect 2003-2004 and 2004-2005 processing changes. Please refer to [COD FAQ](#) for detailed information.

If you have questions on any article or suggestions for future articles, please contact Dianna Greer at 800-342-1663, ext. 149 or 615-253-7474; e-mail address: dianna.greer@state.tn.us